

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: MIDAMERICAN ENERGY COMPANY	DOCKET NO. RPU-94-3
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ORDER ALLOWING INCENTIVE GAS SUPPLY PROCUREMENT PLAN AWARD

(Issued April 26, 2004)

On February 27, 2004, MidAmerican Energy Company (MidAmerican) filed its six-month report of the results of the Incentive Gas Supply Procurement Plan (IGSPP) with the Utilities Board (Board). The filing was identified as Docket No. RPU-94-3. The six-month period is May 2003 through October 2003. Depending upon the results, MidAmerican may earn a share of certain savings, which would be reflected in the May 2004 through October 2004 purchased gas adjustment factor.

The IGSPP was originally approved in a "Final Decision and Order" issued May 19, 1995, and an "Order Granting Rehearing In Part And Denying Rehearing In Part" issued June 30, 1995. The plan as originally approved consisted of four primary components in which actual gas supply costs were measured against market-based benchmarks. The components are natural gas commodity costs, pipeline reservation costs, storage costs, and transportation costs. The Board has extended the IGSPP several times since May 1999.

The plan is designed to share savings between MidAmerican's shareholders and ratepayers. To continue to earn a share of the savings, MidAmerican must keep negotiating more favorable rates. Thus, the plan operates as an incentive for MidAmerican to continually improve its purchasing methods and practices. The results filed by MidAmerican on February 27, 2004, show that costs were below the benchmark. Based upon these results, MidAmerican is entitled to a share of the savings, which will be reflected as an IGSP factor in the purchased gas adjustment factor for May 2004 through October 2004.

IT IS THEREFORE ORDERED:

MidAmerican Energy Company is allowed to add the IGSP factor from its February 27, 2004, filing to its purchased gas adjustment filings for May 2004 through October 2004.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 26th day of April, 2004.